Consumer **R**ecovery **N**etwork

Michael Bovee

Re: Telemarketing Sales Rule -Debt Relief Amendments, R411001
https://secure.commentworks.comlftc-TSRDebtRelief

My name is Michael Bovee and I am one of the founders of Consumer Recovery Network (CRN). CRN offers affordable consumer education and services in the debt relief industry.

I participated in the 9/25/08 Consumer Protection and the Debt Settlement Industry workshop by providing a copy of materials that all CRN members receive and by personally attending the event.

I have a unique perspective in providing comments for the upcoming 11/4/09 workshop. CRN, in large part, currently operates with a business model that supports the majority of the proposed rule changes outlined by this NPRM.

The experience of working with the business model we have has proven to deliver faster more meaningful results to consumers that enroll in our membership program.

The first goal of CRN is to provide consumers with every necessary detail, and unlimited ongoing support of that detail, in order for the consumer to negotiate settlements directly with their creditors, without the need for 3rd party involvement. We also provide a guarantee to our members. When paraphrased our guarantee states; if you cannot, for whatever reason, negotiate settlements with your creditors, we will. Ultimately, consumers who settle their debts on their own are people who are capable of doing so and who recognize by doing so, they will be out of debt quicker than by having paid fees for someone else to do what many have recognized they can do for themselves.

CRN members may ultimately opt for CRN's full settlement services. One major reason for the success we have is that fees for the direct settlement services CRN may provide, have never been contemplated until after the service is performed and even then, only when the creditor has been paid. This has allowed for our members to experience success with settlement sooner than is typically available with the bulk of settlement service industry providers whose fees are charged in advance of rendering the advertised service.

My comments below are derived from more than 10 years of active experience in working with consumers and their creditors as well as extensive research and firsthand knowledge of the evolution of settlement industry practices.

(1) How would the proposed Rule impact different entities or the provision of different types of debt relief services? Please provide as much detail as possible. Useful information would include information about the services provided by particular entities or types of entities, and how different entities perform their services.

The proposed rules will have a large impact on the stand alone call center/marketing

organizations who serve a sales function only. This model either pays for leads that are transferred by advertisers, or invests in their own media buys. The result of this sales approach is one of the leading factors in the negativity associated with the debt settlement industry. My experience and research suggests that as much as sixty to seventy percent of the fees consumers have paid to many organizations offering debt settlement services are used to support the sales side of the business model. The high cost for supporting the sales model of settlement service providers is being passed on to those who are in the worst position to fund this mark up; consumers who are already struggling financially.

The call/sales center in my experience, will shop for the company or back end servicer, who pays the highest commission for the referral. The company or servicer with the highest commission have often been found to be the worst players in the industry i.e Hess Kennedy/Consumer Law Center FL, Allegro law AL. The sales center model must sell people a service that they may not need or be suited for. CRN tested working with a couple of them in the summer of 2008 and ran worse than a 60% refund ratio on consumers referred to our program from sales groups.

A salesman who is not involved in the day to day operations of an actual debt settlement service provider will naturally be more motivated to close a sale, than to walk a consumer through suitability requirements that need to be addressed before a consumer should begin participation in a settlement program.

The proposed rules will also affect the businesses that put together these advertisements for the purpose of live transfer lead sales. I see the effect of the changes, were they passed as is, leading to less of a market for live transfer leads. The reason for less of a market is that cost per acquisition when investing in leads like this, require a certain percent of callers to be "closed" in order for those who purchase them to continue to do so. With additional disclosures the acquisition ratio will be lower.
Please see my published article on this issue for more detail:
http://debtbytes.consumerrecoverynetwork.com/debt-settlement-marketing-the-gist-the-juice-the-lies/

a. In particular, do entities differ in how they currently collect their fees, e.g., what payments are required before the services are begun, what payments are required while services are being provided, and what payments are not collected until after the work is completed? Which providers of debt relief services currently require consumers to make some payment before services are completely provided? Which entities do and do not require such payments? How much of the total fee do the various providers charge prior to completion of the services being offered?

Generally, industry participants collect 50% of their fee (or more) prior to reaching a settlement with any specific account. My research suggests that the vast majority of companies in the settlement industry have fees associated with their service completely funded prior to the consumer's completion of the program and some, even before a single settlement is achieved. There are very few exceptions to this. CRN represents one such exception.

CRN provides education and unlimited one on one support from an assigned specialist with the

ultimate goal being the consumer settles accounts directly with their creditors, without 3rd party involvement. The result of this model is that fees associated with 3rd party settlement services are not charged. This provides for success and completion of all settlements in typically half the time (or less) than is achieved when using an industry standard upfront fee structure.

We do have membership costs associated with the implementation of this approach, but they are nominal with specific guarantees both limited and lifetime that protect the consumer.

We do guarantee that the specialist assigned to the consumers file will be there to negotiate on their behalf should they elect for this service. The CRN fee for this has always been based on success and after the creditor is paid. We apply initial membership fees from the "do it yourself" (DIY) as a credit, or offset, to the contingency fee of 15% of savings. In 20 states CRN does not currently receive any contingency fees, while still providing full settlement services as stated in our guarantee. In 19 of these 20 states, consumers are asked to consider making voluntary direct donations in the amount of what our 15% fees would have been calculated at. Donations to low income legal aid or their local food bank in the form of non perishable food items are encouraged but are strictly voluntary. We do not track donations.

b. How do the various types of entities measure their success in providing the represented services and what level of success are they able to achieve? (Please provide data to support these representations.)

Success can be defined as having completed a settlement or having completed all settlements. Using each account settled individually as a measure of success, I would suggest that the industry fee model as a whole is set up to assist the consumer in failure rather than success.

Charging excessive fees, especially charging them up front, means the consumer is that much further away from their first success because the available funds are being applied to fees rather than accumulating quickly and being used to fund one, two or more direct creditor offers.

The psychological affect I have witnessed when consumers have early success is immeasurable. Suddenly they see a light at the end of their debt tunnel that has been turned off for years. The motivation to continue with their plan increases dramatically.

CRN's success, when defined by completing the first settlement, whether the consumer accomplishes it or their specialist does, is achieved in the first 180 days with 90% of all active or completed files.

CRN success when measured by active members who complete the program (all debts submitted having been settled) is *37%.
After extensive file reviews that were completed on 9/14/09, and recognizing the number of members who have only 1-2 accounts remaining to settle, I conservatively estimate this percentage to increase by 5% by the end of the 1st quarter 2010.

*37% figure is exclusive of consumers who have requested and received a refund or who have not followed up with our multiple attempts to communicate and who are tagged as inactive in our system until communication is reestablished.

(2) What would be the effect of the proposed Rule changes (including any benefits and costs), if any, on consumers? Would the benefits

to consumers differ depending on the service offered or the type of provider offering it, and if so, how? What evidence is there that consumers are or are not misled in the promotion and sale of different types of goods or services or by different providers? Please provide as much detail as possible.

The effect of the proposed changes would provide a tremendous increase in the number of consumers reaching success when faced with having to use a settlement approach for debt relief as their money would be used for funding creditor offers as opposed to fees.

I do however see the potential for unfortunate side effects were the industry to be abandoned by some of the good actors as a result of not being able to cover their operating costs.
I have seen a concerted effort by DMP providers to enter into the settlement arena through pilot programs, such as the 60/60 plan. I have concerns about the impartiality of associations such as the NFCC and its membership who by recent appearances, seem to be seeking settlement services as the exclusive province of their organizations. One such DMP provider spokesman said as much at the FTC workshop on this issue on 9/25/08 as part of his panel participation.

DMP providers are subject to the maxim “don’t bite the hand that feeds you” as a direct result of their primary funding source being the banks they would negotiate with. The implications of settlements being performed by the nonprofit sector, more specifically DMP providers, will remove the unbiased third party aspect that is one of the best attributes of many good actors in the settlement services industry. Settlement service providers, in order to act on behalf of consumers and maintain the consumers best interests by necessity must not be beholden, whether actual or by perception, to creditors. Settlement service providers should remain independent of outside funding by creditors.

(3) What would be the impact of the proposed Rule changes (including any benefits and costs), if any, on industry?

The proposed changes on industry would weed out significant amount of the companies who are reliant upon sales centers for referrals. Sales centers are unlikely to risk capital that is associated with their advertising and operations, if they were unable to collect their commissions for a minimum of 5 months. The industry will shrink to less than half its size as a result. The benefit to remaining companies would be a much higher success rate with consumers who enroll, due to a much stronger suitability screening as a result of many of the proposed changes. Put another way, consumers will not be “sold” into debt settlement.

(5) What changes, if any, should be made to the proposed Rule to decrease any unnecessary cost to industry or consumers?

There should be a nominal monthly service fee allowed so as to defer costs associated with meeting the consumer’s needs until settlements are reached with creditors. A company working with a consumer who will be experiencing any myriad of collection attempts and/or stresses associated with these attempts, do require and deserve attention. An experienced and competent professional with whom the consumer will have contact during this time frame should not be a minimum wage employee.

Given the extensive, individualized approach that CRN has when working with its members coupled with the unmatched quality and content of the education we provide, we still have members that require more attention than others.

A monthly service fee of $50.00 would provide the necessary operating expenses associated with providing quality consumer care as relates to the settlement process.

(6) How would the proposed Rule affect small business entities with respect to costs, profitability, competitiveness, and employment?

There would be little to no incentive for small businesses to enter the market were the proposed rule banning any upfront fee adopted. The result of such a fee ban would be the requirement to have enough investment capital available to wait roughly 5 months to realize their first earned fee, while having the overhead and costs associated with serving their customers in that same time frame.

(2) Are there reasons to broaden the definition of "debt relief service" to include the word "product"? Would the addition of "products" allow the Rule to reach additional deceptive and abusive practices engaged in by sellers and telemarketers of debt relief products and services? Are there reasons to include "products" to ensure that the scope of the definition is appropriately broad to anticipate likely changes in the marketplace? Why or why not?

The market would certainly change as a result of many of the proposed rule changes, but in a healthy, more productive way than I think can initially be anticipated. The proposed changes as set forth will remove many of the players whose sole focus is in marketing settlement services for a high commission and who have no participation in actually providing services. Once these "sales" players in the market are removed, the industry will consolidate. When this consolidation takes place, many of the actual service providers will remain and the focus will again be on consumer suitability requirements.

Broadening the definition may lead to unintended consequences. It will almost certainly discourage innovation and the development of low cost information resources.

(1) The proposed amended Rule contemplates extending coverage of the existing TSR disclosure and misrepresentation provisions contained in Section 310.3(a) to inbound debt relief sales calls (as defined in the proposal). Would this adequately address the harms to consumers that occur in the sale of debt relief services? Why or why not?

In theory, it would reduce the amount of people who are enrolled in a debt relief program resulting from television and radio advertisement, due to the upfront nature of the disclosures. In my experience, sales centers utilizing a third party recorded verification of the disclosures will still be successful with enrolling unsuitable candidates for a settlement program. Requiring signed documents with the disclosures would prove more effective. It would allow for a percentage of consumers to think about their decision, rather than be enrolled into a program in just one phone call that resulted from their dialing into a toll free line after viewing/listening to an advertisement on television or radio.

b. Should this provision be applicable to all providers of debt relief services, or should this provision be tailored to apply only to certain debt relief

providers? Why or why not? If so, which entities should be covered?

The difficulty in predicting the amount necessary for settlement is in the fact that creditors change the amounts they are willing to settle for and also the payment terms they are willing to offer.
Currently many creditors offer the reduce balance with 90 day terms to fund the offer.
The amounts and terms fluctuate per account per creditor and have proven to be a moving target.
If an offer were predetermined at 50% of the balance at the time of enrollment and as a result of this predetermination, no actual attempts for settlement would be made prior to the 50% of balance funds accrued, the consumer can often be harmed by the fact that the creditor offer will have been lower (sometimes significantly) and may allow for 90 day terms, which would have provided for earlier success and in many cases, could have avoided a charge off event.
Avoiding charge off, when and wherever possible is the best result for both the creditor and the consumer.
Please see my recent article for further detail:
http://debtbytes.consumerrecoverynetwork.com/credit-cards-debt-settlement-%E2%80%93-why-banks-do-it/

c. What would be the benefits to consumers of this proposed requirement?

My experience suggests that it is the rarest of occasions that an account cannot be negotiated for either reduced balance or favorable and affordable terms including low to no interest. Many companies offering settlement services will be unable to work directly with an original creditor due to the creditor's policy on 3rd party negotiations. When the creditor assigns or sells an account for collection, the account is nearly always negotiable. The amount negotiated however, will vary.

d. What burdens would be imposed on providers of debt relief services if this requirement were adopted?

In my interaction with consumers and others in the industry of debt settlement, it is generally understood that creditors can sue in order to collect a debt. I have listened to sales calls and recorded 3rd party verifications that occur at the end of these sales calls and the reference to the risk of collection lawsuits are part of both. These disclosures are being made now and have been for some time. The issue in this regard from my viewpoint is that lawsuit risk increases the longer the debt goes unpaid. Program lengths of 3 and 4 years are what will often lead to the increased risk. The disclosure could be tailored to suggest that program length is one of the leading factors of increased risk exposure to a lawsuit being filed in the attempt to collect an unpaid debt.
Please see my recent article for more detail:
http://debtbytes.consumerrecoverynetwork.com/dude-meets-debt-wall/

e. As a practical matter, how would providers comply with the requirement? Would it be necessary to provide disclosures that were specific to the situation of an individual consumer or could the requirement be satisfied with a generic disclosure that would be

given to all of the provider's potential customers?
What would such a disclosure look like?

While a written disclosure requiring a consumer's signature is sufficient for the purpose, in my opinion, it does not go far enough. I have been exposed to consumers who have expressed a feeling of being victimized by a settlement company. I have asked for and received the contract they had signed that indeed contained these disclosures. My experience suggests that any actual dialogue surrounding these disclosures is what is missing. The dialogue I am referring to would by necessity, need to be covered in the consultation part of the sales process, when contemplating the settlement industries sales process in general. This type of dialogue will certainly result in lower conversion to sales for the industry, but would address the suitability of those who do sign on for settlement services. Here is an example of how a written disclosure may appear:

"I have listened to, and read through, all CRN course materials and understand that defaulting on payments to creditors does have a negative effect on my credit report and credit score. I understand that creditors have the right to pursue collection of unpaid debt by filing an action in court. CRN cannot guarantee you will not be sued. I further acknowledge that any forgiven amount of debt over $600.00 per creditor can be reported as income to the IRS and that if I am solvent at the time of settlement taxes may be owed on the amount of forgiven debt. I also understand that account balances increase each month I fail to make a payment. I further understand that CRN cannot guarantee savings results."
This disclosure is currently in use and must me signed off by all CRN members once they have completed our educational materials and have anticipated that they would like for their specialist to effectuate settlement on their behalf.

Further efforts towards applying consumer suitability for debt settlement would be to require a substantial amount of time for a consumer to cancel their agreement and obtain a full refund.

CRN currently provides 2 weeks for its members to review its comprehensive materials and request a full refund.

(3) Are there other disclosures that should be included in the Rule to address harmful practices in the sale of debt relief services? If so, provide the suggested disclosure and discuss the relative costs and benefits to industry and consumers of such a requirement.

One of my biggest criticisms of industry practices is the structuring of long term program lengths. Calculating a monthly payment to an escrow or trust account that is based on an aggregate of 50% savings on the accounts submitted for settlement are often factored on program lengths of 36 to 48 months. This is detrimental to the consumer on several levels. Increased program length translates into increased risk of collection lawsuits.
Factoring the monthly payment to escrow at the time of enrollment is based on the current balance due on each account submitted for settlement. Those balances increase due to late payments, increased interest rates (often default rates of 29% or higher) and potential over the limit fees. Depending on the beginning balance of an account at the time of enrollment as well as how long it took to reach an agreement to settle each individual account, and while contemplating a 50% reduction of the balance at the actual time of settlement, the settlement achieved can be marginal enough to have affected little to no savings.
My criticism of program length and account suitability has been addressed by the fee structure currently in effect in many states where fees for settlement services are, in large part, funded

when settlement on an account is agreed to and funded.
The elimination of high upfront fees will lead to shorter program durations and provide for sincere motivation on the part of the settlement service provider to deliver on their service so that they can realize the fee for their effort.

(4) Proposed Section 310.3(a)(2)(x) prohibits misrepresentations of any material aspect of a debt relief services, and provides specific examples of such prohibited misrepresentations. Is each specified misrepresentation sufficiently widespread to justify inclusion in the Rule?

Each disclosure is certainly wide spread. With the exception of the worst actors in the settlement industry, they are being discussed and/or disclosed by the good actors in the industry right now. The exception may be success rates. Publishing success ratios can be a 2 edge sword.
For example:
CRN as a lifetime aggregate of all settlements (considering all accounts settled whether by our members themselves or directly by the consumers CRN specialist - some consumers have not reported settlement amounts they have achieved), has delivered an average of 63.35% in savings.
While this would provide a very effective marketing tool in the efforts of CRN to enroll new members, we do not use this figure in any published material nor in any sales efforts as it would be irresponsible. This average would then be relied upon by the consumer, whether properly framed as just an average or not, as an expectation of results.
In this way, a new entrant to the industry could use early results in their efforts to market their service to consumers who would then rely on them, whether right or wrong, and be disappointed by actual results they ultimately achieve.

(5) Are there other prohibited misrepresentations that should be specified in the Rule to address harmful practices in the sale of debt relief services? If so, why?

See comment to 310.03 (f) above

(1) What has been the experience in states that have regulated the fees that debt relief providers can charge – for example, allowing a limited initial or set-up fee, and then limiting the fees that can be charged while the services are being provided? Have providers of debt relief services been able to comply with these restrictions and still operate successfully in those states? What kinds of providers have been able to do so? Would it be appropriate for the Commission to consider such an approach? Why or why not? If providers were permitted to collect such limited fees, what fees should be permitted and what limits should be established on them?

CRN from its Do It Yourself (DIY) educational and coaching perspective has been able to deliver on its program representations in all states to date. We are only able to cover our operational costs in 20 states with little to no margin for profit as a result of our policy of not charging the 15% of savings contingency fee when we fulfill our guarantee which says:

“If, at any time and for any reason, you would like your CRN specialist to mediate with your

creditor(s) on your behalf, we will do so. There is a contingency fee for a Consumer Recovery Network Specialist negotiating on your behalf. Meaning, you pay a fee only if you accept a settlement provided to you in writing by your CRN Specialist. If you do not accept a written settlement offer, you will not pay. Our Full Service fee is based on 15% of the **amount of the debt reduction** (the difference between the balances at the time of settlement and the amount of debt reduction). A full credit of all membership fees will be applied to any resulting fees earned by Consumer Recovery Network or its affiliates. In other words, we do not double charge. Separate retainer agreement required."

Those 20 states are published on our website at:
http://www.consumerrecoverynetwork.com/debt_settlement_services.html
When contemplating this guarantee, to my knowledge, CRN is the lowest cost provider in these 20 states.

With the exception of Colorado, who instructed CRN to remove the request for consumers to consider voluntary donations to local causes due to the strict interpretation of laws that went into effect at the beginning of 2008 in that state, consumers in these 20 states receive full service settlement at their request, for no fee, while understanding that donations to organizations in their own community are encouraged.

At the time of this writing our internal numbers, though not separated by state, show that 51% of accounts are settled by our members, utilizing our materials and ongoing support, while 49% are settled by CRN.

I am in full support of several different adaptations of the NCCUSL Debt Management Services Act (DMSA). Limiting monthly servicing fees to $50.00 to $75.00 and allowing for a percentage of savings at the time a creditor settlement is accepted by the consumer, and after the creditor has been paid.
The original contingent fee proposed in the NCCUSL (DMSA) was too high, in my opinion. Capping the percentage fee at 15 percent of savings, based on successful documentation of the settlement, acceptance by the consumer, and the creditor having been fully funded, will give settlement service providers an incentive to perform and will encourage consumers to be aggressive in their savings for settlement, as the service provider will not realize their fee until the consumer is successful. This business model is what CRN has operated with since its inception and is a key ingredient to our success in the work we do with our members.

(3) Proposed Section 310.4(a)(5) provides that payment may not be requested or received until a seller provides a customer with "documentation in the form of a settlement agreement, debt management plan, or other such valid contractual agreement, that the particular debt has, in fact, been renegotiated, settled, reduced, or otherwise altered." Is it appropriate to require provision of these documents before a covered entity can request or receive payment of any fee or consideration? In addition to those listed in the proposed amended Rule or described this Notice, are there other documents that typically evidence the completion of a debt relief service? Do such documents adequately demonstrate that a consumer's debt has been successfully renegotiated, settled, reduced, or otherwise altered? Is one type of document preferable to another?

Consumers and/or customers of a debt settlement service provider should always be provided documentation of a settlement offer and its terms. The consumer should be required to sign off on the acceptance of the agreement prior to funding it, if those funds are managed by the service provider. The documentation should be accompanied by the service providers accounting of their fee as it relates to the performance of their service and the consumer should sign off on this as well. The affect of providing this documentation is to insure the consumer is in agreement with the amounts and terms and that the amounts and terms are consistent with all representations. Consumers will need to maintain a record of all settlement transactions for themselves in order to combat what can unfortunately occur when a creditor or collector mistakenly resells or reassigns an already settled balance.
Documentation of any agreed upon settlement, and the terms thereof, should always come from the creditor or their authorized assignee and should be generated on letterhead of the creditor or assignee. Documentation of the actual settlement and its terms should not be allowed to appear exclusively on a settlement service provider's letterhead.

(4) Should any type or portion of fees charged by entities offering debt relief services be exempted from Section 310.4(a)(5)? If so, which fees – either by type of entity providing the service or by type of fee – should be exempted, and why? Will entities that offer a measurably beneficial service to consumers be adversely affected by this proposed Section? Why or why not? Will covered providers find it is no longer possible to provide particular types of services if this requirement is imposed? Which services will it no longer be economic to provide and why will it no longer be economic to provide them?

Several states with restrictions on how settlement service providers can operate within their borders provide exemptions to attorneys.
The implication is that attorneys operate with a certain standard and ethics. My experience and research suggest that some of the worst operators in the settlement services industry are indeed law firms whether in name only or not. One need look no further than the Hess Kennedy firm in Florida or Keith Nelm's and the Allegro firm in Alabama, both of which have been placed in receivership but not before tens of thousands of consumers were affected by their programs. While I would tend to agree that attorneys will be held to a standard and ethics level resulting from their licensing and respective bar associations, the settlement industry appears to attract no shortage of bad actors. The proposed rule making does not appear to contemplate this unfortunate aspect.

(5) Would an alternative formulation of an advance fee ban, such as the one in Section 310.4(a)(4) of the existing Rule (prohibiting requesting or receiving a fee in advance only when the seller or telemarketer has guaranteed or represented a high likelihood of success in obtaining or arranging the promised services), be more appropriate than a ban conditioned on the provision of the promised goods or services? Why or why not?

A complete ban on any fee until settlements are effectuated will discourage new and best intentioned entrants into the market. Carrying all costs associated with working with consumers in 3rd party settlement services is not feasible. New entrants, as well as existing market participants may be tempted to encourage settlements that are not maximized for best savings in order to collect the performance fee. Consumers will be hurt by the resultant motivation to

collect a service fee.

A reasonable monthly service fee of $50.00 to $75.00 dollars will allow for settlement service providers to cover operational expenses and encourage best practices throughout the industry. CRN since its inception provides for a full credit of all its membership fees as an offset to its percentage of savings fee when we reach successful 3rd party settlements that our members accept and fund. If a similar offset were contemplated as part of the TSR rule changes, I believe it would address this challenge and would not have the affect of charging 2 separate fees for the same service.

(6) Are there alternatives to an advance fee ban exist that would sufficiently address the problem of low success rates in the debt settlement industry? If so, please explain.

As stated throughout my comments, I support nominal monthly fees of $50.00 - $75.00 and a percentage of savings fee once settlements are documented, approved by the consumer and the creditor paid. The monthly fee will support daily operations and the contingent fees based on the results and savings per account settled will promote best practices industry wide.

The consumer will be in a position to benefit the most from working with a settlement service provider as that provider will be motivated to work for the best savings result and to do so timely, rather than extending and offering program lengths, which to date combined with high upfront fees are, in my opinion the determining factors in the low success rate that is at issue.

(7) As noted, the Commission does not intend that the advance fee ban be interpreted to prohibit a consumer from using legitimate escrow services – services controlled by the consumer – to save money in anticipation of settlement. Is it appropriate to allow the use of such escrow services? Why or why not?

My involvement with educating consumers on settlement and providing 3rd party mediation and negotiation with creditors has never involved 3rd party escrow accounts. CRN has found that implementing a program where the consumer is responsible for savings and developing stronger budgeting and money management skills pays unforeseen dividends for consumers after they are out of debt. Money management skills are not typically gained by turning over every aspect of your debt troubles to outside resources.

A consumer, who is ultimately going to be successful using a settlement approach, will reach that success with or without escrow services. I do support the use of escrow services by responsible debt settlement service providers.

(1) As noted in this NPRM, it is not readily feasible to determine a precise estimate of how many small entities will be subject to the proposed Rule. Please provide any information which would assist in making this determination.

Consumer Recovery Network is as a small entity when compared to the majority of debt settlement service providers. We started with a grass roots approach 5 plus years ago. There are only one or two implications of the proposed changes that would change, or cause us to change, our business model.

Sincerely,

Michael Bovee
CRN President